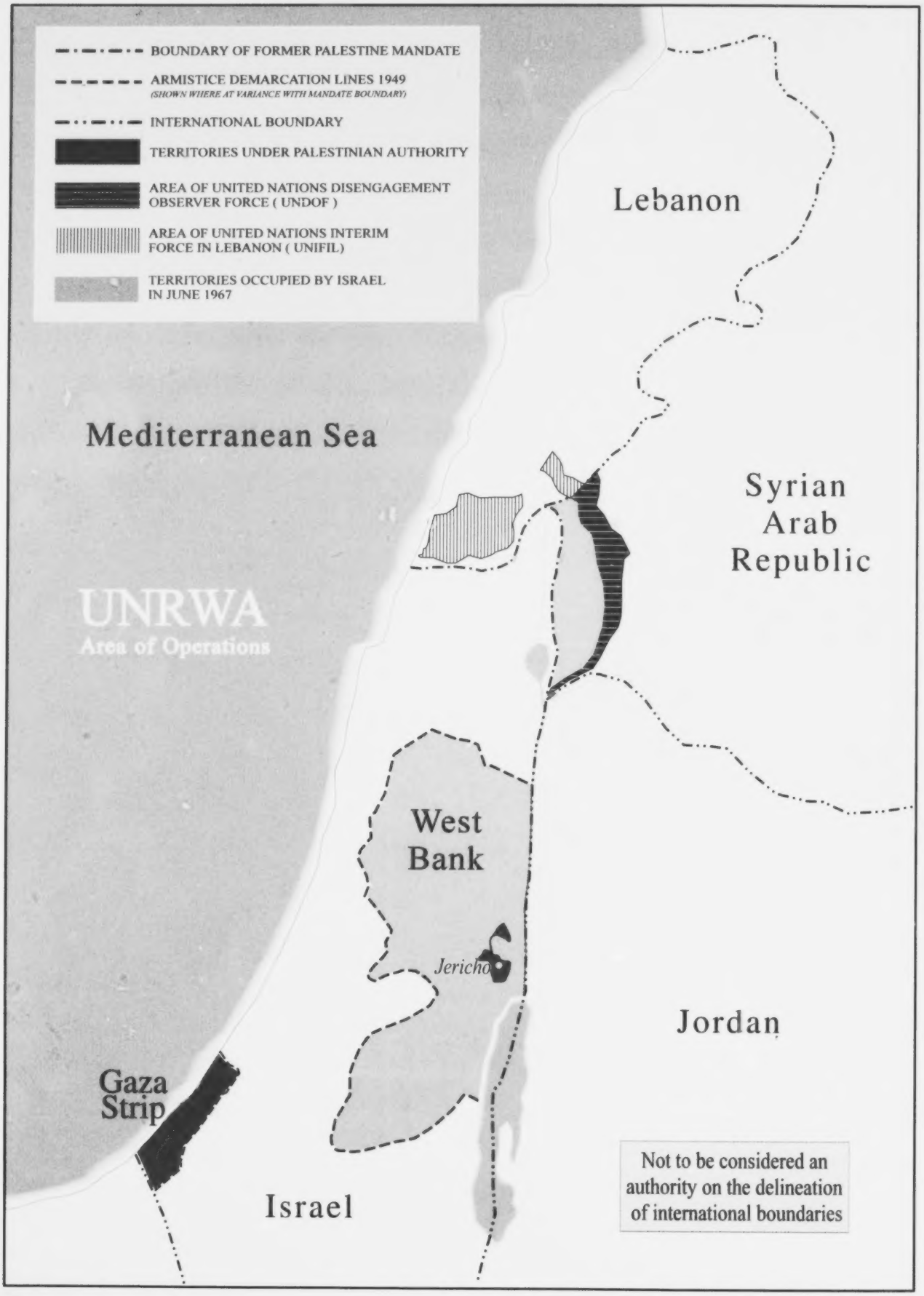
Annual Report

UNRWA

1994 / 1995

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST


BOUNDARY OF FORMER PALESTINE MANDATE
ARMISTICE DEMARCATION LINES 1949
(SHOWN WHERE AT VARIANCE WITH MANDATE BOUNDARY)
INTERNATIONAL BOUNDARY
TERRITORIES UNDER PALESTINIAN AUTHORITY
AREA OF UNITED NATIONS DISENGAGEMENT OBSERVER FORCE (UNDOF)
AREA OF UNITED NATIONS INTERIM FORCE IN LEBANON (UNIFIL)
TERRITORIES OCCUPIED BY ISRAEL IN JUNE 1967
Lebanon
Mediterranean Sea
Syrian Arab Republic
UNRWA
Area of Operations
West Bank
Jericho
Jordan
Gaza Strip
Israel
Not to be considered an authority on the delineation of international boundaries

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Introduction

UNRWA Commissioner-General Ilter Türkmen.

The past year was marked by the further development of the Middle East peace process and the broadening of the Agency's efforts to play an active role in the transitional period by bringing about substantive improvements in the socio-economic conditions of Palestine refugees. The arrangements for Palestinian autonomy took a significant step forward with the evolution of the Palestinian Authority (PA) into a functioning administrative body with responsibility in the self-rule areas of the Gaza Strip and Jericho and for a number of sectors in the West Bank. UNRWA was able to enter into a close working relationship with the Palestinian Authority and, within that new context, to focus in earnest on the harmonization of Agency and PA activities in the education, health and relief and social services fields in preparation for an eventual handover.

UNRWA and the peace process

The broadening of the powers of the self-rule authority as called for in the Declaration of Principles meant that, for the first time, Palestinians in the West Bank and Gaza Strip were able to manage their own affairs, although only in limited spheres of civilian life. Thousands of refugees, mainly employees of the Palestinian Authority (PA) and members of the Palestinian Police Force as well as their families, were able to return to the self-rule areas. Refugees living in these areas continued to benefit from the absence of the daily tension that had characterized the period prior to the self-rule arrangements. With the normalization of everyday life came new efforts to rebuild and reconstruct both in the self-rule areas and in the occupied West Bank.

As part of its support for the peace process and commitment to the Palestinian people, UNRWA endeavored to cooperate with and to provide assistance to the PA whenever possible. The Agency began to work toward the harmonization of its services with those being provided by the Palestinian Authority to ensure the similarity and complementarity of UNRWA systems with those being developed by the Palestinian Authority, and to avoid duplication of inputs.

Coordination mechanisms were established in the education, health and relief and social services sectors. The focus in the education sector was on substantive issues such as the admission of returnee children in UNRWA schools, the introduction of a tenth year in the basic education cycle, teacher training and vocational programmes. Priority issues in the health sector included the Palestinian health insurance scheme, treatment of refugee patients in PA hospitals, school health services and immunization policies. The Agency's relief and social services

programme coordinated with the relevant Palestinian authorities on direct relief assistance, housing and land use in Gaza camps, housing for returnees, national plans for youth and children and the improvement of sports facilities.

To the extent permitted by available means, the Agency made every effort to meet requests for assistance from the PA and to provide technical assistance as the Authority strove to develop its own institutional capacity. UNRWA staff served on technical advisory committees set up by the Palestinian Authority in various sectors. The Agency accepted over 4,300 children of returning refugee families into its Gaza schools, recruiting additional teachers for that purpose, and assisted in procuring medical equipment and supplies for PA health institutions. Prefabricated housing units were provided for released detainees. The Agency allowed members of the police to receive treatment at Agency clinics in the Jericho Area and temporarily assigned an ambulance unit to the Jericho police medical service. The Agency also worked to improve and expand the infrastructure newly taken over by the Palestinian Authority from the Israeli Civil Administration, building one secondary school, renovating 14 PA schools, upgrading municipal garbage depository sites and undertaking maintenance on existing water and sewerage systems.

At the request of the UN Secretary-General, UNRWA administered the payment of the salaries of 9,000 members of the Palestinian Police Force from funds contributed by various donors. From September 1994 through March 1995, a total of $29.8 million was disbursed in the operation, in which UNRWA worked closely with the office of the United Nations Special Coordinator in the Occupied Territories (UNSCO).

UNRWA played an increasingly active role in the multilateral track of the peace process established by the parties to the Madrid Conference in 1991. As part of the United Nations delegation, the Agency regularly attended the meetings of the Multilateral Working Group on Refugees, including the working group's intersessional meetings on technical matters. UNRWA also participated in the meetings of the Local Aid Coordination Committee, providing the secretariat for the committee's working group on the environment.

Peace Implementation Programme

The Agency's commitment to supporting the peace process and to meeting the urgent needs of refugees was embodied in its Peace Implementation Programme (PIP). PIP was launched in October 1993 following consultations with the PLO leadership and with the Agency's major donors and drawing upon the recommendations of the Secretary-General's 1993 task force on the economic and social development of the Gaza Strip and Jericho. A comprehensive investment programme designed to contribute to improving infrastructure and stabilizing socio-economic conditions in the Agency's five fields of operation, PIP aimed to make the results of the peace process felt at the local level.

In September 1994 the first phase of the programme (PIP I) came to an end after receipt of US $93.9 million in pledges and contributions from donors. The Agency estimated that PIP I projects created over 5,500 jobs in the Gaza Strip alone for an average period of four months each.

PIP I evolved into the second phase of the programme, PIP II, which shared the same basic goals. By mid-1995, approximately $311 million in projects had been developed under PIP II.

Installing a new sewerage and wastewater drainage network in Beach camp, Gaza Strip.

including $78 million in unfunded projects transferred from PIP I, with a total of $29.8 million received by mid-1995 in pledges or contributions. PIP II was expected to be the last major investment initiative undertaken by UNRWA.

Relocating Headquarters

During 1995, UNRWA took steps toward the relocation of its Vienna Headquarters to the Gaza Strip in accordance with the decision of the Secretary-General and United Nations General Assembly Resolution 49/35 A. The relocation of Agency Headquarters would serve to demonstrate the commitment of the United Nations to the peace process, underline its confidence in the Palestinian Authority and contribute to the economic development of the Gaza Strip. In conjunction with the United Nations Secretariat, the Agency developed a detailed budget and action plan for the move, including the design of a new Headquarters building in Gaza town.

The Commissioner-General opened an office in Gaza in November 1994 and a nucleus Headquarters unit was established in Gaza in early 1995. By the end of June 1995, the Agency had received over $4 million in pledges or contributions for the move, which was budgeted at $13.5 million. The transfer of UNRWA's Vienna Headquarters to the Gaza Strip coincided with the separate relocation of a number of Vienna-based operational units to its Amman Headquarters, where new annexes were built for that purpose.

A five-year horizon

At an Informal Meeting of Major Donor and Host Governments in Amman in March 1995, the Agency proposed a five-year financial and planning horizon to coincide with the interim period set out in the Declaration of Principles. The aim was to establish

Youth activity centre, Dheisheh camp, West Bank.

for the donors, the host countries and the Palestinian Authority, a financial framework for the costs of UNRWA services in each of its fields and in each of its programme areas during the interim period. A clear consensus arose that Agency services were a crucial element in the success of the peace process and would continue to be required until such time as a political solution to the refugee problem was found.

The five-year time frame was not linked to the dissolution of UNRWA, but would be used as a planning and programming tool, and would be reviewed by the Advisory Commission and donor countries. Until the time when Agency operations were handed over, UNRWA should focus on harmonization of services and coordination and cooperation with other agencies operating in the field. Fears of an imminent dissolution of the Agency were dispelled and the Agency had a set of parameters to guide its operations for the foreseeable future. The acceptance of the Agency's proposals for the interim period provided a clearer picture of the Agency's future and its position with respect to the refugees and the donor community.

Financial difficulties

The ability of UNRWA to provide expanded services was constrained by the financial shortfalls which the Agency experienced for the third consecutive year. The Agency noted with concern that some donors were unable to increase their contributions in line with the Agency's annual budget growth of five per cent, the minimum possible increase to offset rising costs in all fields due to inflation and natural growth in the refugee population. Unexpected emergency needs arising in the area of operations required additional funds which also contributed to the deficit. After carrying forward austerity measures imposed in 1993, the Agency introduced additional cost-saving measures in September 1994. Despite these measures, the Agency ended 1994 with a deficit of $6 million, which reduced its working capital to $16.6 million.

The cumulative effect of these deficits placed the Agency in a difficult position with respect to its ability to continue to fulfill its mandate. In the absence of additional funding to cover anticipated shortfalls, the Agency would have no alternative but to reduce services. It was regrettable that, at a time when the Agency was being called upon to increase its efforts on behalf of the refugees and the Palestinian Authority, it was unable to obtain sufficient funding to continue to provide its core services at their existing level.

Ongoing tensions

Despite significant progress in the implementation of the agreements between the Government of Israel and the Palestine Liberation Organization, conditions in the occupied West Bank remained tense and the self-rule areas continued to be adversely affected by Israeli measures. In explanation of these measures, the Israeli authorities invariably invoked security considerations. The ongoing restriction

on movement imposed by the Israeli authorities, mainly through the imposition of checkpoints, searches, and a permit system for travel between various areas, generally restricted the normal flow of people, goods and services between the West Bank and the Gaza Strip and within the West Bank itself, hampering economic activity and interfering with the daily life of residents.

In addition, the Israeli authorities sealed the West Bank and Gaza Strip entirely on several occasions, preventing even those with valid permits from entering Israel and East Jerusalem. These measures exacerbated the economic hardship affecting the West Bank and the Gaza Strip. In response, the Agency carried out emergency food distributions in July 1994 and March 1995, and provided additional in-kind aid to families in Gaza through non-governmental organizations.

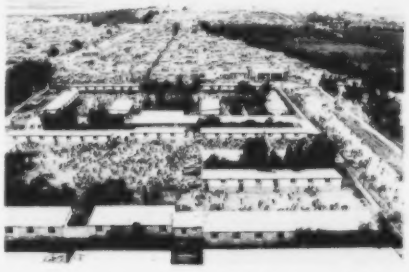
Restrictions on movement imposed by the Israeli authorities also continued to interfere with UNRWA's operations, at times violating the Agency's privileges and immunities as a United Nations operation. UNRWA remained deeply concerned about the nature and frequency of such incidents, especially in view of the scheduled relocation of the Agency's Headquarters to the Gaza Strip. Nevertheless, relations between the Government of Israel and UNRWA continued to be characterized by increasing cooperation.

UNRWA's Refugee Affairs Officer (RAO) programme, which had provided passive protection to refugees in the West Bank and the Gaza Strip since 1988, continued to operate in the West Bank. Following the establishment of self-rule in the Gaza Strip and the Jericho area, the RAO programme had previously been discontinued in these areas.

Jordan, Lebanon and the Syrian Arab Republic

The Agency's relationship with the Government of Jordan remained excellent during the past year as the Agency worked to build up its Headquarters operations in Amman. Jordan hosted the largest refugee population, comprising some 40 per cent of all refugees registered with the Agency. Refugees in Jordan continued to benefit from the services provided by the Government, and the refugee community enjoyed a relatively high degree of socio-economic well-being and security.

The opening of new government schools in or near refugee camps during the past year helped to relieve the overcrowding in Agency schools. However, the Agency noted increased levels of socio-economic hardship among the refugee population, indicated by an increase in demand for special hardship assistance and for medical care at UNRWA clinics.



Baqa'a camp, Jordan.

Rafah camp, Gaza Strip.

The Agency welcomed the signing of a peace treaty between Israel and Jordan in October 1994 as well as the several agreements signed between the Palestinian Authority and the Jordanian Government during the past year.

In Lebanon, the increasing normalization of national life, despite sporadic outbursts of violence in Israeli-controlled south Lebanon and in the Beqa'a region, brought to the forefront the need to address longstanding social and economic problems. The Government of Lebanon was addressing these problems within its means. However, UNRWA was unable to undertake rehousing for some 3,000 displaced Palestinian families or to complete infrastructure rehabilitation projects within some refugee camps or to expand school and health facilities.

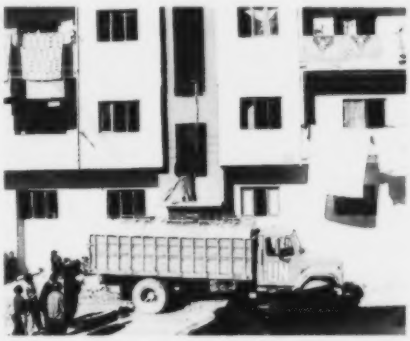
Given the difficult living conditions in Lebanon, the situation of Palestine refugees, who faced serious constraints in finding jobs, remained a matter of serious concern to the Agency. Despite constraints, the Agency was able to complete a sewerage system in Burj el-Barajneh camp, receive 1,600 more Palestinian pupils in the 1994-1995 academic year than in the previous year and renovate four schools in the Saida and Tyre areas. The Agency also received a pledge of $7 million to fund construction of water and sewerage networks in eight camps.

The Agency's historically close contacts with the Government of the Syrian Arab Republic continued during the past year. The Syrian Government and UNRWA cooperated in improving the water network in Neirab camp, enabling the camp population of 15,000 to have access to water. The Agency worked closely with the Syrian Ministry of Health to coordinate measures for disease surveillance and control and cooperated with the Ministry in arranging in-kind donations of medical supplies.

UNRWA provided assistance to 353 families relocated from Jaramana camp to a multi-storey housing project in Husseinieh. The Agency also made much-needed improvements to the Damascus Training Centre which considerably improved the quality of training. The Agency welcomed the progress made in talks between the Syrian and Israeli Governments.

Agency services

While taking on new roles and responsibilities in response to changing conditions, UNRWA continued to fulfill its basic mission of providing essential education, health and relief and social services to the 3.2 million Palestine refugees registered with the Agency in Jordan, Lebanon, the Syrian Arab Republic and the West Bank and the Gaza Strip. Nearly 409,000 elementary, preparatory and secondary school pupils were enrolled in the Agency's 644 schools during the 1994-1995 academic year. The Agency handled 6.5 million patient visits through its network of 123 health centres and points, which



Husseinieh housing project, Syria.

A new co-educational UNRWA school near Tyre, Lebanon.

guaranteed refugees access to quality primary health care. Under the Agency's special hardship programme, over 181,000 of the neediest refugees received special assistance in the form of basic food rations, shelter rehabilitation, subsidized medical care, preferential access to vocational training centres and assistance in establishing income-generating projects. A range of social services were provided to refugees through the 71 women's programme centres, 29 community rehabilitation centres and 27 youth activity centres sponsored by the Agency, which together served over 17,000 refugees during the year.

Husn camp, Jordan. UNRWA social workers meet regularly with refugees to discuss their needs. Over 181,000 refugees receive special hardship assistance from the Agency.

In 1994, the Agency employed 20,883 staff, including 14,417 in education, 3,296 in health and 807 in relief and social services, with the remainder in common and operational services.

The Agency's concern for the self-reliance of the refugee community and its commitment to the long-term viability of the programmes that it would eventually hand over, made self-reliance and sustainability key themes in its activities. Where feasible and desirable, the Agency sought to introduce cost-sharing and self-support measures in its regular programmes.

Refugees shared costs through co-payment for hospital services, contributions for the maintenance and upkeep of school premises, and self-help schemes for shelter rehabilitation and environmental health improvements. Nominal contributions and hospital co-payments were not applied to special hardship cases. In the relief and social services sector, the Agency launched a five-year plan for the full community management of women's programme centres, community rehabilitation centres and youth activity centres. Such measures ensured the efficient use of Agency resources and provided an important measure of participation by the refugee community in the Agency's provision of services.

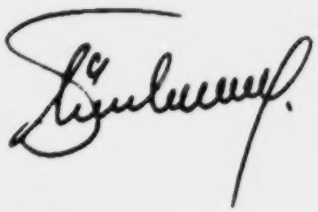
UNRWA's ongoing operations benefited from the close cooperation of the Agency with a number of United Nations agencies and offices, including the International Labour Organisation (ILO), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the office of the United Nations Special Coordinator in the Occupied Territories (UNSCO), and the World Health Organization (WHO).

A turning point

With the signing of the Declaration of Principles, the conclusion of the peace treaty between Jordan and Israel and the ongoing discussions between Syria and Israel, the stage was set for a turning point in the destiny of the Palestine refugees.

Although there were variations from country to country, it could be said that, in general, the refugees felt that they were caught between the hope for a better future and the fear that they might be neglected and even forgotten in the new political environment.

The majority of refugees had not seen any concrete benefits from the peace process thus far. Under these circumstances, the rationale for the support of UNRWA as an element of stability was more valid than ever, and would remain so until a political solution to the refugee issue was found.



Ilter Türkmen
UNRWA Commissioner-General

Programme Developments

Education

UNRWA's education programme, which accounted for 48 per cent of the Agency's regular budget for 1995 and 62 per cent of its staff, remained UNRWA's single largest area of activity. Agency-wide, UNRWA employed 12,796 education staff - excluding clerical staff, manual labourers and school attendants - in programmes devoted to basic schooling, teacher training and vocational and technical education.

Nuzha school, Amman, Jordan

Elementary classroom in Khan Younis, Gaza Strip

Nearly 409,000 elementary, preparatory and secondary school pupils attended UNRWA's 644 schools during the year, an increase of 10,056 over the previous year. The regular education programme also offered specialized courses to cater to the needs of slow learners as well as special remedial education programmes for pupils with learning disabilities.

Enrollment in the Agency's post-preparatory trade courses and post-secondary technical courses increased slightly to nearly 4,600. New courses in industrial electronics, machine maintenance, architectural draughting and secretarial and office management were introduced at the Agency's eight training centres. The Agency awarded university scholarships to 863 Palestine refugee students, of whom nearly 43 per cent were women, for study at 48 different universities in 11 countries in the region.

The Agency's arrangements for technical cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO) were modified during the year, with UNESCO agreeing to replace international staff posts seconded to UNRWA with funding for certain senior area staff posts.

The academic achievement of UNRWA pupils in the West Bank and Gaza remained a serious concern as a result of the cumulative effects of the disruption of schools over the past seven years. To help improve achievement levels, UNRWA continued to develop remedial plans based on diagnostic tests, curriculum enrichment materials and self-learning kits.

Education services continued to suffer from the restrictions on movement imposed by the Israeli authorities. The permit system in the West Bank and the Gaza Strip effectively denied students and teachers access to schools and training centres outside their area of residence.

UNRWA's close working relationship with the PA education department in the Gaza Strip and the Jericho Area matured during the year, as the Palestinian Authority assumed control of the school system formerly run by the Israeli Civil Administration. In response to requests for assistance from the PA, the Agency carried out comprehensive maintenance on 14 PA schools in the Gaza Strip, installing amenities such as tile floors, metal window frames and asphalt roofing in addition to carrying out routine repairs.

Students at UNRWA's Damascus Training Centre, Syria.

By mid-1995, the Agency had received a total of $42.9 million for the improvement of its education infrastructure and other projects in the five fields of operation through phases I and II of the Peace Implementation Programme (PIP). During the year, through PIP donor funds and other sources, the Agency completed construction of 17 new schools to replace unsatisfactory rented or prefabricated premises, nine additional classrooms to avoid triple shifting or to replace unsafe classrooms and nine specialized rooms such as libraries and science laboratories. As of mid-1995, an additional 41 schools, 90 classrooms and six specialized rooms were under construction.

Despite these efforts, the need for new premises and facilities for the Agency's education programme remained high. Overcrowding continued to affect schools in all five fields, with 75 per cent of all Agency schools operating on a double shift; a significant number were forced to operate in three shifts. Twenty per cent of Agency schools were housed in rented buildings which were not designed as schools and therefore lacked appropriate facilities such as science laboratories, libraries and playgrounds.

The Agency's Educational Sciences Faculty (ESF) provided in-service training to 365 UNRWA teachers and pre-service teacher training to 585 Palestine refugee secondary school graduates. The ESF was established at the Amman and Ramallah Training Centres in September 1993 in response to a Jordanian Government requirement that teachers in the basic education cycle should possess four-year university diplomas. The four-year pre-service programme granted university degrees in several teaching specializations, while the three-year in-service programme aimed to upgrade the qualifications of UNRWA teachers holding two-year teacher training diplomas to the first university degree level.

Nearly 640 teachers, headteachers, school supervisors and instructors took advantage of the Agency's regular in-service training programmes during the academic year. UNRWA's Institute of Education at Headquarters (Amman) developed regular in-service training programmes which were implemented by education development centres in each field.

A crowded UNRWA clinic. On average, an UNRWA doctor provided 94 consultations each day.

Health

UNRWA delivered health care services through its network of 123 health centres or points which provided a full range of preventive, curative, support and community health services, including paediatrics, obstetrics and gynecology, cardiology and ophthalmology. Special care was available for the treatment of chest diseases and ear, nose and throat illnesses, as well as for the management of diabetes mellitus and hypertension. Mother and child health programmes and family planning services were fully integrated within the activities of health centres. Seventy-six centres offered comprehensive dental care and 84 accommodated medical laboratories. Refugees living outside camps were served by the Agency's health points, smaller facilities offering a wide range of health care services on a part-time basis. The Agency also operated the 43-bed Qalqilia Hospital in the West Bank.

The Agency's health care professionals handled approximately 6.5 million patient visits throughout the past twelve months in all five fields of operation. On average, an UNRWA doctor provided 94 consultations each day. The workload for dental consultations and other support services also continued to be heavy. The health programme employed 3,296 professional and support staff in the five fields of operation in 1994, the majority of whom were locally-recruited Palestinians.

In the spring of 1995 UNRWA participated in a national immunization campaign against poliomyelitis throughout its area of operations, conducted in the context of a WHO regional strategy implemented in coordination with the United Nations Children's Fund (UNICEF) and local health authorities. A total of 200,000 refugee children below the age of five received two doses of trivalent oral polio vaccine at a one-month interval. The Agency's health programme completed the development of a special curriculum on prevention of HIV/AIDS for schools in coordination with WHO's Eastern Mediterranean Regional Office.

UNRWA continued to provide assistance towards hospitalization of the refugee population. Expenditure on hospital services continued to represent one-third of the total cash budget for medical care services. The relatively high share of expenditure on secondary and tertiary care services continued to cause concern to the Agency as a result of the substantial funding shortfall in its regular budget and the ever-increasing cost of the service.

The Agency did its best to improve the quality of health care by strengthening its primary health care facilities and seeking more economical options for provision of essential hospital care. However, it proved to be extremely difficult to implement this strategy without applying certain measures, including a review of the hospital referral and admission policies with priority given to emergency

conditions, the reduction of the number of bed-days utilized and, in certain instances, establishing waiting lists for chronic surgical conditions.

A system of cost-sharing was introduced on a limited scale during the year in which UNRWA would continue to cover 75 per cent of the cost of treatment at contracted hospitals with refugees contributing the balance. The system was due to be implemented effective 1 September 1995. Negotiations were under way to effect the gradual redeployment of resources from non-governmental and private hospitals to PA hospitals in the West Bank and the Gaza Strip, and to Palestine Red Crescent hospitals in Lebanon and the Syrian Arab Republic.

UNRWA's health programme in the West Bank and Gaza Strip was governed by a strategic approach which emphasized preparation for an eventual handover of the Agency's health care system to the Palestinian Authority. The Agency focused its efforts on maintaining and upgrading its infrastructure at the primary level, coordinating and harmonizing its health policies and services with those of the Palestinian Authority and the gradual redeployment of resources to PA hospitals. The ultimate objective of these support and coordination activities was to enable the handover of a cost-effective health care system that would be integrated within the health care system of the PA.

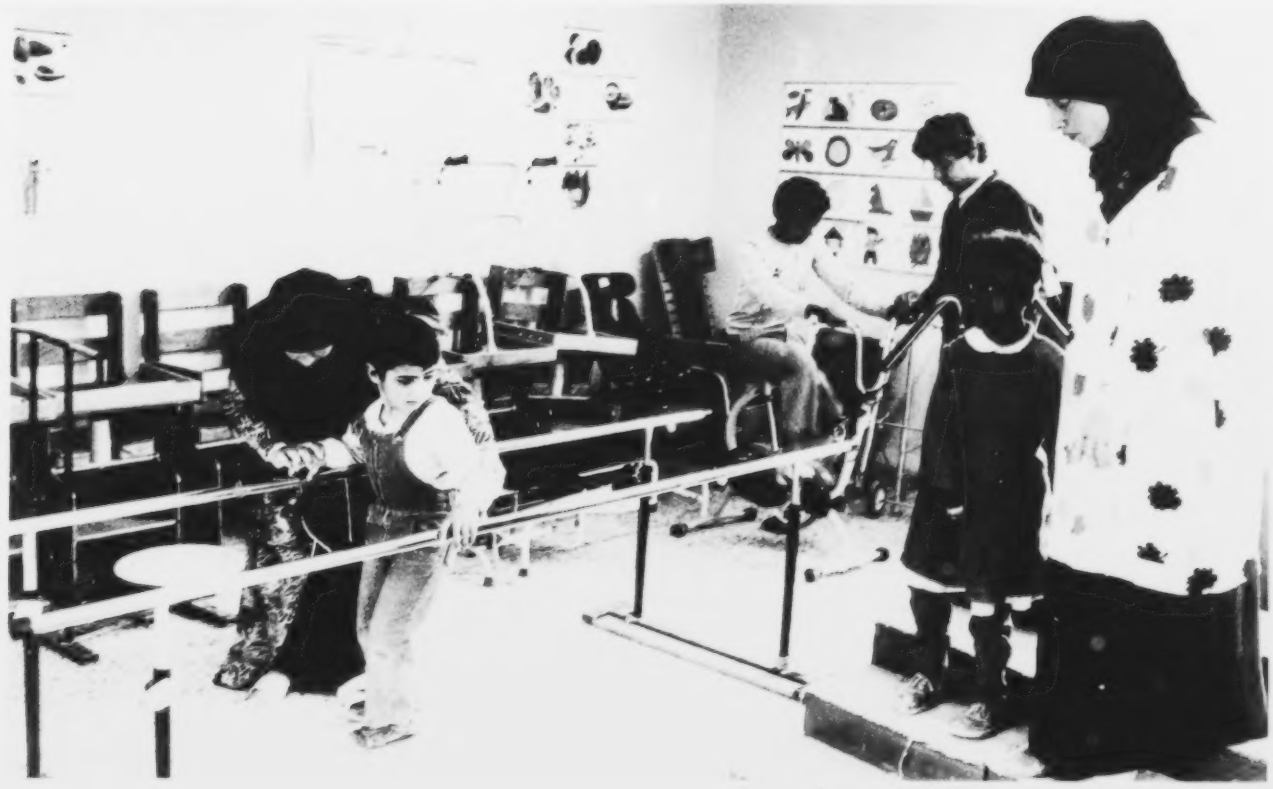
With the transfer of the Israeli Civil Administration health care system to the Palestinian Authority, effective May 1994 in the Gaza Strip and November 1994 in the West Bank, UNRWA mobilized its resources to assist the Palestinian Authority as it developed its institutional capacity in the health sector. Significant progress was achieved during the year in the construction of health facilities which would become part of the Palestinian health infrastructure. The Gaza College of Nursing was inaugurated in September 1994 and continued its training of public sector health professionals.

The Agency's most ambitious undertaking to improve infrastructure in the Gaza Strip was the construction of the 232-bed Gaza General Hospital which would significantly alleviate the shortage of hospital beds in the Gaza Strip and provide medical services not readily available to the population. Despite delays caused by the frequent closures of the Gaza Strip and ensuing shortages of construction material, construction of the hospital progressed steadily. The structure of the hospital complex was completed and internal works were well under way. Construction was expected to be completed in early 1996.

Additional funds were received during the year to bridge the funding shortfall on construction costs and basic public utilities as well as to fund the cost of senior staff positions, production of furniture, construction of the hospital's sewerage treatment plant and purchase of pharmaceutical supplies. A joint technical/advisory group was created to review issues relating to the development and future operation of the hospital.

The World Health Organization (WHO) continued to provide technical supervision of the Agency's health programme by seconding six staff to UNRWA Headquarters on reimbursable loan basis, including the Agency's Director of Health.

Gaza General Hospital under construction near Khan Younis.



A community rehabilitation centre, Wadgas, Jordan.

Relief and social services

The number of Palestine refugees registered with the Agency increased from three million on 30 June 1994 to 3.17 million on 30 June 1995, an increase of just over 5.5 per cent. The growth rate was higher than could be explained by natural population growth, indicating that refugee families were registering family members who had previously been unregistered.

Further progress was made in implementing the Agency's Unified Registration System, a project launched in 1993 to incorporate refugee registration records, socio-economic data on special hardship cases and the family records of Palestine refugees into an integrated set of computerized databases.

Special relief assistance was provided to refugee families unable to sustain themselves through the Agency's special hardship programme which granted direct relief assistance to families without an able-bodied male adult. The number of special hardship cases Agency-wide rose from 177,205 on 1 July 1994, representing 5.9 per cent of the refugee population, to 181,437 on 30 June 1995, representing 5.7 per cent of the refugee population.

The decline in the proportion of registered refugees eligible for special hardship assistance partly reflected tighter management controls introduced by the Agency in early 1994. More important was the fact that many families facing extreme socio-economic difficulties were ineligible for admission to the programme. Their problem was not the absence of an employable male adult, but the lack of employment opportunities, especially in the Gaza Strip and Lebanon. For the first time in several years there was marked growth in demand for welfare assistance from refugees in Jordan.

The Agency rehabilitated a total of 4,260 shelters in the West Bank and the Gaza Strip and 299 shelters in the three other fields as part of its programme to upgrade refugee housing which failed to meet minimally acceptable standards. In addition to improving the living conditions of thousands of special hardship cases and other impoverished families, the shelter rehabilitation programme sought to create employment in local construction sectors and to promote refugee self-help by soliciting volunteer labour from beneficiary families in return for provision of materials.

In Lebanon, the Agency's main concern was the rehousing of displaced refugees who were being evicted from properties where they had been illegally squatting. With the assistance of special contributions from donors and compensation paid by the Lebanese Central Fund for the Displaced, 118 families were rehoused in Ein el-Hilweh camp in August 1994. Discussions with the Lebanese Government continued with the goal of agreeing on arrangements for the remaining displaced families.

Beginning in September 1994, the Agency began coordinating actively with the PA social affairs department

on issues of mutual interest and concern. A joint technical working group was formed to study harmonization of direct relief assistance programmes and to provide recommendations.

Under the Palestinian Women's Initiative Fund, four new projects were financed, providing for functional literacy classes in Lebanon, training in the maintenance and repair of sewing and knitting machines in Gaza, a community-run kindergarten at a women's programme centre in the West Bank, and a food production unit in a refugee camp in Jordan.

Activities within the Agency's community centres during the year included promotion of legal literacy, civic education and early childhood development through women's programme centres; the linkage of community rehabilitation programmes with mainstream Agency services, especially the integration of disabled children into the regular school education system; and participation in multi-disciplinary campaigns such as the Agency's HIV/AIDS awareness campaign. At the end of 1994, nearly 280 disabled children were attending mainstream Agency schools in all five fields.

UNRWA's growing expertise in social development issues gained recognition in the region, with the Agency's Palestinian staff being called upon to provide training and advice to governmental and non-governmental bodies on small enterprise development and community-based rehabilitation of persons with disabilities, and to participate in the development of national social action plans for children, youth and people with disabilities.

The Agency continued to sponsor refugee community centres, providing training, technical assistance and partial financial support to 71 women's programme centres and 29 community rehabilitation centres in the five fields of operation, as well as 27 youth activity centres in the West Bank and Gaza Strip. In support of the Agency's emphasis on promoting self-reliance in its social services programme, UNRWA conducted a situation analysis in each field in early 1995, and began a training programme in institution-building for Agency staff facilitators and locally-elected committees.

Each UNRWA-assisted programme was being helped to establish its own income-generating enterprise as a means to provide employment for targeted groups of women, youth and people with disabilities, and to contribute towards the recurrent costs of the centres' other activities. Locally-recruited Palestinian staff were given extensive training and technical assistance in small and micro-business development and alternative strategies for poverty alleviation, creating a pool of qualified trainers and resource persons.

In June 1995, the capacity of the West Bank and Gaza Strip fields to support local community development and non-governmental institution-building was strengthened with the decision to create a separate social services division in each field headed by a senior Palestinian programme manager.

Shelter rehabilitation
Beach camp, Gaza Strip.

Special Initiatives

The Agency's ongoing programmes of assistance featured a number of special initiatives designed to meet specific needs within the refugee community.

UNRWA's Peace Implementation Programme (PIP) was a major investment initiative aimed to upgrade social infrastructure, create jobs and improve living conditions for Palestine refugees.

The Agency's income-generation programmes provided support to small-scale enterprises and generated employment opportunities. In the environmental health sector, UNRWA focused its efforts on two fronts: developing a planning framework and improving conditions in camps. The Agency's regular health care programme stressed the importance of family health, offering an expanded reporductive health and family planning programme.

The Agency continued to provide emergency assistance to Palestine refugees in areas of special crisis under the EMLOT fund.

Peace Implementation Programme

The Agency's Peace Implementation Programme was introduced in October 1993 following the signing of the Declaration of Principles to demonstrate to the refugee community throughout the region the tangible benefits of the peace process. In formulating the first phase of the programme (PIP I), special emphasis was placed upon projects to develop infrastructure, improve living conditions and create jobs in refugee communities to provide benefits over both the short and long terms.

Projects were to be implemented within all three of the Agency's main programme areas - education, health and relief and social services. The Agency stressed that funds acquired through PIP be adequately distributed in Jordan, Lebanon and the Syrian Arab Republic so as to convey the benefits of peace to refugees in those fields. PIP's second phase (PIP II) shared the same basic goals as its predecessor, and its projects were designed to be implemented within 24 months of receipt of funds.

A new UNRWA school in Jabalia camp, Gaza Strip.

PIP I was replaced in September 1994 by PIP II. By that time the Agency had received $93.9 million in pledges and contributions for PIP I. With the funding received under PIP I, UNRWA had, as of 30 June 1995, completed rehabilitation of 4,521 shelters; construction of 94 boundary walls around Agency installations, 32 playgrounds, 21 toilet blocks and 11 classrooms and specialized rooms; comprehensive maintenance on 28 schools, the Gaza College of Nursing and 12 other Agency installations; painting of 67 schools and one health centre; and replacement of glass at 100 schools.

PIP I funds also allowed the Agency to complete six environmental health feasibility studies, grant increased loans to small-scale enterprises under the income generation programme, offer several training courses for staff, provide temporary housing for released prisoners in Jericho, conduct an agricultural pilot project and upgrade or supply equipment for a number of Agency installations, among other projects.

Additional projects which received funding under PIP I included construction of 31 schools, 59 classrooms and specialized rooms, 10 health centres or points, nine women's programme centres and the College of Nursing and Allied Health Sciences; rehabilitation of 1,129 shelters; construction of 1,309 garbage depository sites and manufacture of 900 refuse containers; comprehensive maintenance on seven schools and two health centres; implementation of a graduate training programme in UNRWA offices; and the expansion of environmental health facilities in Beach camp. The majority of those projects were under way as of 30 June 1995..

By mid-1995, PIP II consisted of $311 million worth of projects, including $78 million in unfunded projects transferred from PIP I. PIP II was developed in conjunction with the relevant departments of the Palestinian Authority, as well as the Palestinian Economic Council for Development and Reconstruction (PECDAR), with the goal of complementing projects undertaken directly by the Palestinian Authority.

In the environmental health sector, UNRWA developed comprehensive project proposals for internal sewerage and storm-water drainage systems, treatment plants and pumping stations for 11 camps in the West Bank and Gaza Strip, with a total value of over $124 million.

By 30 June 1995, the Agency had received $29.8 million in pledges and contributions for PIP II.

Health centre renovation, Rafah camp, Gaza Strip.

Upgrading sewerage systems and roads in Beach camp, Gaza Strip.

Income Generation

Growing domestic pressure on regional governments led to a significant reduction of employment opportunities for refugees, particularly in Lebanon and the West Bank and Gaza Strip. Palestine refugee families experienced increasingly high unemployment rates and a marked decline in living standards. UNRWA consequently attached increasing importance to initiatives aimed at creating employment, generating income and supporting business enterprises among the Palestine refugee community. The Agency's initiatives promoted economic activity mainly by addressing the lack of credit facilities available to small entrepreneurs and persons working in the margins of the economy. They made finance capital available at reasonable interest rates to be used to expand existing enterprises or establish new ones.

The Agency's revolving loan fund for small businesses, the largest of its income-generation initiatives, provided loans to entrepreneurs through local banks. Since its establishment in 1991, the revolving loan fund had issued loans to 853 enterprises and acquired a total capital base of $7.2 million.

The revolving loan fund continued to expand during the year, with the Agency providing loans averaging $15,000 to 169 businesses, creating or saving some 460 jobs. Among the enterprises receiving loans were a brick-making plant, a refrigerator manufacturer, a bakery, an aluminum products workshop, a bee-keeping enterprise and a hairdressing salon. Individual loans were disbursed out of revolving loan funds with separate contributions from donors for each field, with the exception of the Syrian Arab Republic, which did not have an income-generation programme.

The leading field-based income-generation programme was in Gaza, which utilized more capital than the other three fields combined. With a capital base of over $4 million and an overall loan recovery rate of 98 per cent, the programme ranked as the largest of its kind in the Gaza Strip and the most successful in the area.

The income-generation programme in the West Bank received a sizeable contribution during the year which brought its capital base to $2.4 million. Nearly $300,000 in loans to 41 businesses were approved in Jordan with an overall repayment rate of 96 per cent.

Making cakes and sweets, using an income-generation loan from UNRWA. Bethlehem, West Bank.

A pharmacy and a clothing factory in Amman, Jordan. Both received income-generation loans from UNRWA.

The Agency also operated a solidarity-group lending programme centred in the Gaza Strip to make credit available to women working mainly in micro-enterprises and as street vendors. By mid-1995, 406 loans averaging $400 had been issued to women organised into 74 groups. The programme had a capital base of $102,000, with an overall repayment rate of 99 per cent.

The Agency's poverty alleviation programme, established in 1993, promoted sustainable income-generating activities among special hardship cases of working age. In contrast to the revolving loan fund, which aimed to generate employment opportunities within the refugee community at large, the ultimate goal of the poverty alleviation programme was to raise the income of the neediest families to a level that would allow them to be removed from the special hardship rolls.

The programme used an array of strategies ranging from skill-training programmes and technical assistance for starting enterprises to placement in apprenticeships and providing access to credit. Low-interest loans averaging $3,000 were provided on an individual, family or group-guaranteed basis to establish self-support projects. To assist loan applicants, courses in how to start a business were offered in the West Bank, the Gaza Strip and Jordan fields. Special attention was also devoted to the needs of women income-earners and to the development of sustainable income-generating enterprises to support affiliated community organizations.

Environmental Health

The primary objective of the Agency's environmental health programme was to assure that acceptable environmental health standards were maintained in refugee camps. Open sewers, inadequate drainage systems and the use of seepage pits rather than sewers were common features in refugee camps, posing a direct health threat to refugee families, particularly young children.

The Agency provided a range of services including sewage disposal, management of storm water run-off, provision of safe drinking water, collection and disposal of refuse and control of insect and rodent infestation. Over one million refugee camp residents benefited from these services. UNRWA's attention to environmental health services was carried out within an overall strategy which emphasized sound planning, institutional development, community participation and the use of appropriate technologies to ensure that improvements would be sustainable in the longer term.

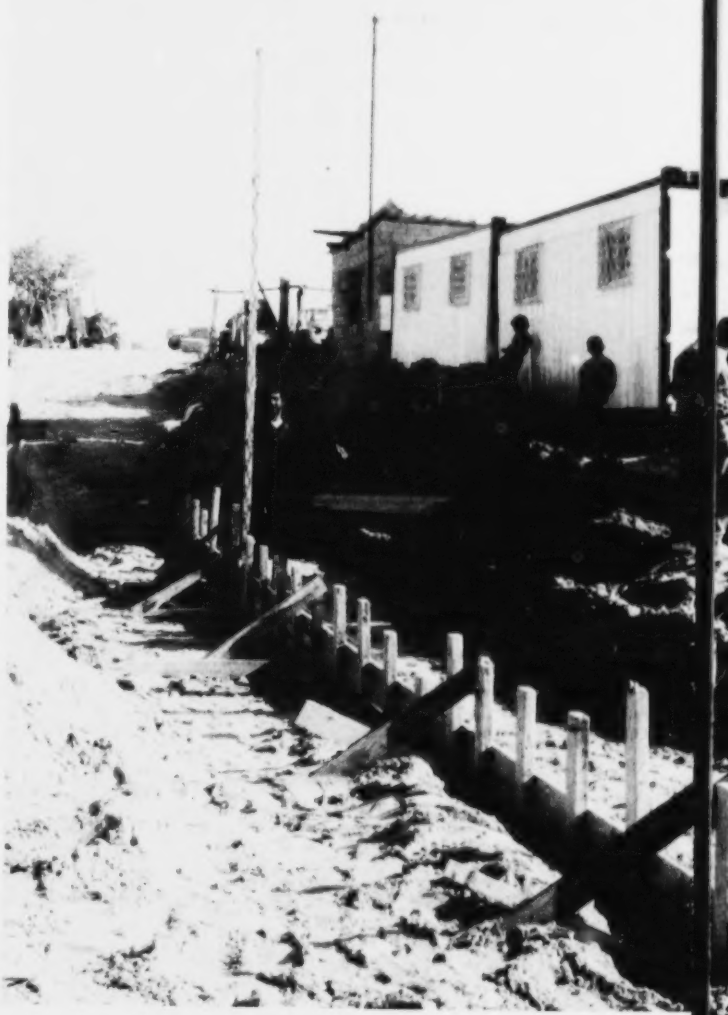
Initial steps were taken to define needs, identify priorities and elaborate strategies for bringing about the required improvements within camps in all five fields of operation. These efforts were consistent with the Agency's comprehensive planning approach to environmental health which emphasized greater investment in the crucial early stages of project development and design to minimize problems in implementation and reduce overall costs. Progress in project development and implementation varied from one field of operation to another based on the availability of donor funding.

Focus on the Gaza Strip

Problems were most acute in the Gaza Strip, where only 30 per cent of shelters within refugee camps were connected to sewers. Sewer systems regularly backed up and flooded residential areas during the rainy season. Thus, the Agency focused its efforts on the Gaza Strip, where improvement in environmental health conditions was a key, not only to reducing health risks, but also to future socio-economic development. Combining its technical capabilities with operational effectiveness, UNRWA was able to take the lead in the environmental health sector in the Gaza Strip and acquire a reputation for reliability. It was the only agency able to carry out large-scale projects of which this area was in great need.

Work continued on the Agency's $4.3 million project to construct a new internal sewerage system in Beach camp in the Gaza Strip which, when completed, would serve over 60,000 people. Construction was completed on sewerage and storm water drainage systems serving areas which were prone to flooding. A coastal gravity interceptor line was also being built which would prevent raw sewage from the camp and the northern third of Gaza municipality from being discharged into the sea. The camp's two existing pumping stations were being upgraded and a third larger station was under construction. New roadways for the main thoroughfares of the camp were being built. Additional funding made possible the upgrading of solid waste services in the camp, contributing to overall sanitation.

Based on feasibility studies and detailed designs for sewerage and drainage systems in several camps and municipalities in Gaza, the Agency had developed $102 million in project proposals to improve sewerage and drainage systems throughout the Gaza Strip. The Agency



received a pledge of $11 million for comprehensive improvements to wastewater and storm water infrastructure in Gaza town. The first phase of the project would focus on developing a sewage and storm water master plan through the preparation of feasibility studies and preliminary and detailed designs for sewers, pumping stations, storm drains and related streets and the upgrading of the Sheikh Radwan reservoir. When completed, the project would directly benefit half of residents of the Gaza municipal area.

UNRWA has also been instrumental in promoting coordination and the development of common standards and strategies in the environmental health sector among the Palestinian Authority, local municipalities and non-governmental organizations operating in the Gaza Strip. The Agency provided technical assistance to the Palestinian health authorities in developing their own institutional capacity and in the planning, design and implementation of projects.

Progress in other locations

In other fields, construction projects for internal sewerage systems were completed or in progress during the year in two camps in the West Bank, and in three camps in Lebanon. In co-operation with the Syrian Government, UNRWA also rehabilitated the water network in Neirab camp during the year.

In the West Bank, feasibility studies and preliminary designs for sewage and waste-water disposal systems were completed for four camps, reflecting the Agency's emphasis on programme planning and design as a key part of overall environmental health strategy. Projects in these camps were prepared and the Agency was seeking funding for implementation. A prefeasibility study for water supply, sewerage and storm-water drainage was also undertaken in the Jericho area at the request of the Palestinian Authority.

Surveyors at work on a new sewerage system in Beach Camp, Gaza Strip.

Family Health

By the turn of the century, two-thirds of the Palestine refugee population will consist of women of reproductive age and children below the age of 15. Recognising this fact, the Agency continued to stress the importance of family health in its regular health care programme. Agency health centres and points offered an expanded reproductive health and family planning programme focusing on child health care, family planning services, and the continuity and quality of ante-natal, natal and post-natal care. The programme was fully integrated within the Agency's primary health care activities, reaching families through 117 of the Agency's 123 health centres and points.

As part of the programme, supplementary nutritional assistance was provided to pregnant and nursing women and children under the age of two, while immunization and growth monitoring were provided for children up to age three. The new Division of Family Health was incorporated within the Agency's health programme, and 400 health staff were given training in skills relating to family health, including special courses on breast feeding, insertion of intrauterine devices, maternal health strategy and maternal health record-keeping.

More than 205,000 children below three years of age, 73,000 pregnant women and 31,000 family planning acceptors received health care at UNRWA mother and child health and family planning clinics. Supplementary nutritional assistance was provided to 74,000 pregnant and nursing women and 121,000 children under the age of two; immunization and growth monitoring were provided to children under the age of three.

The expanded maternal health and family planning programme in the West Bank and the Gaza Strip, under joint implementation since 1992 by UNRWA and the United Nations Population Fund (UNFPA), was successfully evaluated upon completion of implementation. The evaluation revealed that the projects had been effectively implemented and that there was an obvious need to expand reproductive health and family planning services to the clinics run by the Palestinian health authorities and non-governmental organizations.

The Agency was preparing to participate in a tripartite mission planned for summer 1995 to assess the needs of the PA health authorities and develop a strategic plan and operational framework for a sustainable women's health programme including reproductive health and family planning.

A Palestinian family in Jalazone camp, the West Bank.

EMLOT

The fund for extraordinary measures for Lebanon and the occupied territory (EMLOT) was created in 1990 to provide emergency assistance to Palestine refugees in areas of special crisis. The fund was established through a merger of the Lebanon Emergency Fund, established in 1982, and a similar fund for the occupied territory, established during the *intifadah*.

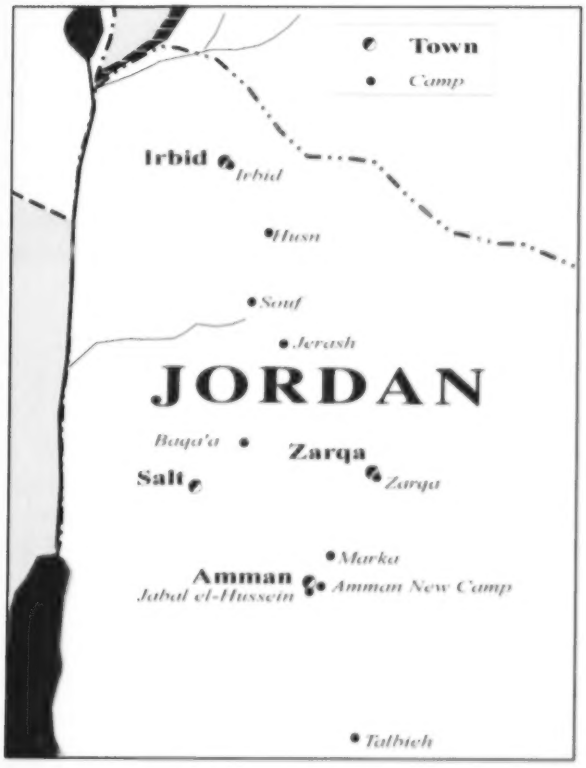
The Agency's financial shortfalls since 1993, combined with improvements in the political and security situation in these two areas, have sharply diminished the extent of activities funded under EMLOT. Nonetheless, the impact of Israeli security measures on refugee communities in the West Bank and the Gaza Strip and the poor socio-economic circumstances of refugees in Lebanon continued to require emergency responses from the Agency.

The emergency medical care programme established in the West Bank and Gaza Strip as part of the extraordinary measures taken during the *intifadah* was reviewed in light of the recent developments and the declining need for emergency medical services. Measures to rationalize the programme included redeployment of ambulances, closure of night duty clinics in the Gaza Strip and amalgamation of emergency medical services in the West Bank and the Gaza Strip into the Agency's regular health programme. The Agency decided to maintain its physiotherapy clinics to meet the continuing need for physical rehabilitation of victims of violence and other physical impairments.

The Israeli authorities continued to impose prolonged curfews in the aftermath of the Hebron massacre of February 1994, and in early 1995 effectively closed off the Gaza Strip from Israel for an indefinite period. The inability of Palestinian workers to go to Israel and the disruption of local economic activity produced by those measures, caused serious hardship to many families. As a result, in July 1994 the Agency distributed food to 75,000 families in the West Bank and 95,000 families in the Gaza Strip. In March 1995, on the occasion of Eid el-Fitr, a second distribution was made in areas of greatest socio-economic distress, reaching 26,000 families in the West Bank and 14,000 families in the Gaza Strip. Other in-kind assistance valued at $25,000 was provided to needy families in the Gaza Strip through non-governmental organizations. In Lebanon, $88,000 worth of basic commodities and $58,000 in cash assistance were given to refugee families with emergency needs.

The refugee affairs officer (RAO) programme, funded under EMLOT, was gradually reduced from 12 staff to four during the past year responding to the decline in unrest which had characterised recent years. The programme was discontinued in the Gaza Strip and the Jericho Area. With the departure of the Temporary International Presence in Hebron forces, the RAO programme resumed its operations in the town. The programme will continue to function in the West Bank until incidents associated with Israeli military occupation cease.

Emergency food distribution, Bureij camp, Gaza Strip.



The red rock city of Petra.

Jordan

Education

In Jordan, the Agency's 202 schools served nearly 150,000 pupils during the academic year, a drop of 1,675 pupils from the previous year. The decrease, which ran counter to demographic trends and to an influx of pupils from the Syrian Arab Republic, resulted from the transfer of refugee pupils to new government schools opened in or near refugee camps at the beginning of the academic year. These schools offered smaller class sizes, superior facilities and a five-day school week.

In contrast, Agency schools in Jordan operated on a six-day week and suffered from severe overcrowding, with 93 per cent running on a double-shift basis. Nearly one quarter of Agency schools were still using rented premises which lacked adequate classroom space as well as auxiliary facilities such as laboratories, libraries and playgrounds.

The increased provision of quality education services to refugees on the part of the Jordanian Government was a welcome development which underlined the urgent need for improvements in the Agency's own education infrastructure. Efforts to replace dilapidated prefabricated premises with standard Agency school buildings proceeded during the year with the construction of a 20-classroom girls school in Baqa'a camp. Work was in progress on six other schools.

Special classes catering to the needs of slow learners and children with learning difficulties were established in two schools, which also served pupils from neighbouring schools. Some 600 disabled children (including 12 hearing-impaired children), children with learning difficulties and slow learners were integrated into the regular education programme after receiving the necessary remedial care.

The Educational Sciences Faculty (ESF), established at the Amman Training Centre in September 1993, provided in-service training to 365 UNRWA teachers to upgrade their qualifications to the first university degree level, as well as pre-service teacher training to 157 students in the first and second years. A total of 113 education staff took advantage of the Agency's in-service training courses for teachers, headteachers, school supervisors and instructors.

The Amman and Wadi Seer training centres offered training places to 1,224 students in trades and semi-professional training courses. Students at the Wadi Seer and Amman Training Centres attained pass rates of 94.5 per cent and 91.5 per cent respectively in the mid-1994 examinations, compared to a national average of 61 per cent in the specializations offered at the two centres. Scholarships for study at Jordanian universities were awarded to 231 Palestine refugee students, including 89 women.

Health

UNRWA provided health services to approximately 1.3 million refugees in Jordan through its network of 22 health centres providing comprehensive medical care including family planning services and mother and child care. Of those centres, 22 housed laboratories, 20 provided dental care, 17 offered special care for the management of diabetes mellitus and hypertension and 14 provided specialist services for ophthalmology, obstetrics and gynecology and the treatment

of cardiovascular disease. The increase in demand created by socio-economic hardship among the Palestine refugee population in Jordan continued to tax UNRWA's health care programme. In spite of the additional human resources recruited to offset the heavy workload, the daily average number of medical consultations per doctor per day was 105, the highest Agency-wide and well above the Agency average of 94. As a result of the accessibility of public hospital services to refugees, Jordan remained the only field in which the Agency did not contract directly with local hospitals. Agency expenditure on medical care services in Jordan remained the lowest of the Agency's five fields of operation.

The Agency continued to replace or expand unsatisfactory health facilities as funding permitted. A specialist clinic in Irbid camp providing gynecology and obstetrics, cardiology and ophthalmology services was completed in December 1994. A new dental clinic was established in Awajan Health Centre. A mother and child health centre in Zarqa was scheduled for completion in October 1995.

The Jordan Water Authority completed the replacement of the water distribution network at Irbid camp. Under the Agency's self-help programme for environmental health, UNRWA cooperated with the Department of Palestinian Affairs and local camp committees by contributing building materials for volunteer public works projects. Some 20,000 square meters of pathways were paved and 500 meters of surface drains were constructed in seven refugee camps, with UNRWA contributing the cost of building materials.

Relief and social services

The Palestine refugee population in Jordan increased by 7.9 per cent over the year, from 1.19 million to 1.29 million. The most important reason for this increase, which substantially exceeded normal population growth, was the demand by refugees for their UNRWA records to be updated. While the rate of that demand slowed, the Agency recorded 11.1 per cent growth in the number of registered refugee families, as refugees increasingly registered nuclear family units separately from extended family groups.

Demand for special hardship assistance among eligible refugees increased for the first time in several years. The number of persons enrolled in the programme rose by 8.9 per cent, compared with an Agency-wide increase of 2.4 per cent. Special hardship cases represented only 2.6 per cent of the total registered refugee population in Jordan, compared to the Agency-wide average of 5.7 per cent. For the first time, the Jordan field received a special contribution for the shelter rehabilitation programme; 78 shelters were rehabilitated by 30 June 1995 using PIP funds in addition to the 72 shelters rehabilitated during the year with funds allocated out of the General Fund.

During the year, 22 special hardship families participated in the poverty alleviation programme to promote micro-enterprise, 17 of them achieving a sufficient sustainable income to be removed from the hardship rolls. In early 1995, a group of 12 women from the Amman New Camp women's programme centre received training for a group-guaranteed lending scheme with specially contributed funding and technical support. Under the loan programme, a special contribution under PIP made new credit available to 23 refugee entrepreneurs. Regular training sessions were also conducted for loan applicants on how to start a business.

The number of income-generating enterprises associated with the community rehabilitation centres for disabled persons increased from three to five. These projects helped to subsidize the recurrent costs of the rehabilitation programme and to demonstrate to the community that persons with disabilities could contribute effectively to viable business concerns.

In the women's programme centres, the legal literacy programme for women was given further impetus with a series of 10 courses attended by 800 women. The Legal Advisory Bureau in Amman New Camp, the first of its kind in Jordan, opened six days weekly with two volunteer women lawyers on hand to provide advice to women and their families.

The Agency's community-based disability programmes increased their cooperation with other community programmes. The six community rehabilitation committees in Jordan formed a joint coordination committee which met with UNRWA staff and representatives of non-governmental organizations to plan joint activities and share experience and resources.

An overcrowded UNRWA classroom in Zarqa camp, Jordan.

The ancient Roman ruins of Baalbek.

Education

Continuing improvements in the security situation in Lebanon allowed UNRWA's 75 schools to operate without disruption during the year. Enrollment at Agency schools and in the single secondary school reached 35,207, an increase of 1,560 pupils over the previous year. Besides natural population growth, the unusually high increase in the student population was related to the deteriorating socio-economic circumstances of Palestine refugees, which forced many families to transfer their children from tuition-based private schools to UNRWA schools.

Although Agency schools in Lebanon registered the second-lowest rate of double-shifting in the Agency's area of operations, 56 per cent of elementary classes and 39 per cent of preparatory classes still operated on double shift. Just under half of Agency schools operated in rented premises which lack adequate space, ventilation and lighting, libraries, laboratories and playgrounds.

Pupils in Agency schools improved their performance on the annual Brevet examination for students at the fourth preparatory level, conducted throughout Lebanon in July 1994. The success rate for the 1994 examination stood at 49 per cent compared to 38 per cent in the previous year. The upward trend in the results reflected the cumulative impact of the Agency's remedial education programmes, designed to compensate for the disruption in the educational process as a result of the years of civil conflict in the country.

Efforts to improve the Agency's educational infrastructure in Lebanon continued. Reconstruction of the Naqoura school in Ein el-Hilweh camp, which had been damaged as a result of violence during the 1991-1992 school year, was completed in December 1994. A new school building was inaugurated in January 1995 to replace dilapidated school premises in El-Buss camp, and another new school was completed in Burj el-Shemali camp. Construction was under way for four school buildings which, with one operating on double shift, would accommodate five schools in Beddawi camp. Four school buildings in the Tyre and Saida areas were comprehensively upgraded and renovated.

The Siblin Training Centre provided vocational and technical instruction to 624 trainees during the year, of whom 113 were women. The effectiveness of the centre's programmes was demonstrated in a survey which revealed that 92 per cent of the 1992 semi-professional graduates and 96 per cent of its 1992 trades graduates had found employment. The Agency awarded university scholarships to 54 Palestine refugee students, including 18 women.

Health

UNRWA remained the main provider of primary and secondary health care to approximately 346,000 Palestine refugees in Lebanon, who relied especially heavily on Agency services as a result of their lack of access to public-sector health facilities. Health services were delivered through an expanded infrastructure of 25 health centres or points providing comprehensive medical care, including family planning services and mother and child care. Hospital care was provided to refugees through contractual arrangements with 11 general

and two mental hospitals.

As a result of the high priority that the Agency had attached to its health programme in Lebanon since 1989, most of the old unsatisfactory health centre premises had been replaced or upgraded and additional staff recruited. As a result, the field health programme was placed in a favourable position with respect to the staff/client workload. Preliminary work was begun on two other construction projects, a new polyclinic in Beirut and replacement of Burj el-Shemali health centre, both of which were funded under the Peace Implementation Programme.

Several major projects to improve environmental health conditions in refugee camps were completed during the year. In Nahr el-Bared camp, the second phase of an internal sewerage scheme to replace private latrine pits and surface drains was completed, serving approximately 90 per cent of the camp shelters. The second phase of a similar project in Burj el-Barajneh camp was also completed, serving all but a few homes in the camp, and the system was connected to the main municipal sewer line. The first phase of a project to construct an internal sewerage system in El-Buss camp was completed in June 1995, serving 65 per cent of the camp's population of 8,400. The Agency received a $6.7 million pledge to fund construction of water and sewerage networks in five camps, complete the second phase of the project in El-Buss camp and the final phase of that in Nahr el-Bared camp and improve the existing water system in Ein el-Hilweh camp.

Relief and social services

By 30 June 1995, 346,164 Palestine refugees were registered with UNRWA in Lebanon, an increase of 2.3 per cent over the previous year. Lebanon continued to have the highest percentage of refugees - 10.5 per cent - enrolled in the special hardship programme as a result of restrictions on employment of Palestinians in the country and the large number of households headed by women.

Lack of adequate housing continued to be a major problem. Many families who had been displaced during the years of conflict were still waiting to be satisfactorily rehoused. In August 1994 the Agency completed a multi-storey housing project in Ein el-Hilweh camp for 118 families evicted from illegal squats. Following a decision of the Lebanese Government, much-needed rehabilitation of shelters of special hardship families inside the camps resumed in May 1995 for 96 families. UNRWA remained concerned over the deteriorating living conditions of the Palestine refugees in Lebanon and the overwhelming pressures which they experienced.

In the face of deteriorating socio-economic conditions among the Palestine refugee population, the Agency widened the scope of its poverty alleviation programme to include not only special hardship families but also others living close to the poverty line who did not have access to credit facilities.

During the year, 18 special hardship families received self-support grants to establish micro-enterprises. In autumn 1994, a mini-loan programme was launched to encourage all clients to participate financially and to enable the revolving funds to reach more families. In June 1995 the Agency took the first step in a gradual phasing out of grants in favour of repayable credit, with the introduction of soft loans offered to four families for income-generating projects.

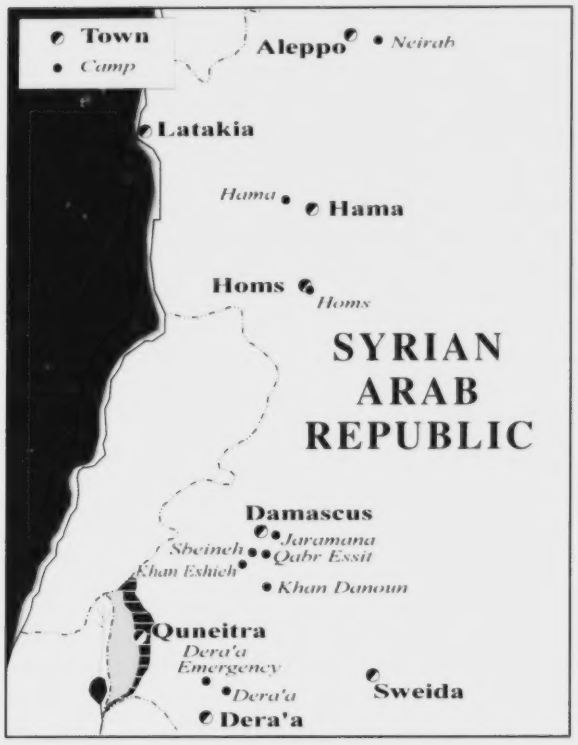
The Agency cooperated with a locally-based non-governmental organization to facilitate a group-guaranteed savings and loan scheme within the refugee community based on women's programme centres in the camps. Training for trainers in starting up businesses was offered to representatives of local Palestinian non-governmental organizations and community committees.

The relief and social services department in Lebanon administered the income-generation programme's revolving loan fund for small-scale enterprises. Forty businesses, mainly in the service industry, received a total of $216,000 in loans during the year. The capital base of the programme stood at $284,000 by mid-1995 with an overall repayment rate of 96 per cent.

The Lebanon field chose to support other community-based rehabilitation and integration programmes, such as the one run by the Palestinian Disabled People's Union in Ein el-Hilweh camp. In coordination with the union, a pilot project was undertaken to integrate pre-school age children with visual impairments in a kindergarten in the camp, following a course conducted for teachers and social workers in coping with the needs of disabled and able-bodied children in a mainstream environment.

The field also facilitated the admission of children with locomotor disabilities to UNRWA's elementary schools. Fifteen schools in Lebanon were adapted to the special needs of these children, enabling 70 children to participate in the 1994-1995 school year.

Shatila camp, Beirut.



A craftsman at work, Damascus.

Education

A total of 60,743 pupils were registered in UNRWA's 108 schools in the Syrian Arab Republic in the 1994-1995 school year, 520 pupils fewer than the preceding year. The decrease in enrollment could be attributed to the movement of Palestine refugees to the Gaza Strip following the establishment of the Palestinian Authority, as well as to Jordan. The academic performance of pupils in Agency schools remained high, with pupils in the third preparatory grade achieving a pass rate of 91 per cent in the mid-1994 national preparatory examination, compared to an average of 53 per cent in government schools.

Overcrowding remained a serious problem in Agency schools, where 98 per cent of elementary classes and 91 per cent of preparatory classes operated on a double-shift basis. Fifteen per cent of schools were housed in rented premises lacking proper facilities. To alleviate these problems, the Agency constructed two schools and began construction of a third. Six new classrooms were also built. Additional funds are being sought to improve the education infrastructure by increasing available classroom space, replacing unsuitable rented premises and providing specialized rooms such as science laboratories and libraries.

The Damascus Training Centre operated normally during the year, providing vocational courses in a variety of mechanical, electrical and building trades to preparatory-school graduates. Of the 767 trainees who enrolled in the 20 courses offered at the centre, 108 were women. Funds received under the Peace Implementation Programme were being used to construct a finishing and decorating workshop for a new course which would begin in September 1995. Additional funds were being sought to broaden the centre's course offerings to keep up with local market demand for trade skills.

A total of 168 teachers, headteachers, school supervisors and instructors were enrolled in the in-service training programme. The programme assisted education staff in improving teaching methodologies, increasing administrative skills and aiding curriculum development. University scholarships were awarded to 208 Palestine refugee students including 74 women.

Health

Approximately 337,000 Palestine refugees benefited from Agency health care services in the Syrian Arab Republic. Those services were provided through 24 health centres or points providing comprehensive medical care including mother and child care. All those facilities offered special care for the management of diabetes mellitus and hypertension, 22 offered family planning services, 17 accommodated laboratories, 13 provided specialist services for cardiovascular diseases, paediatrics and obstetrics and gynecology and 12 provided dental care. Hospital services were provided through contractual agreements with eight hospitals.

The Agency completed construction of one health centre and began building two others to replace old unsatisfactory premises. The remodelling and upgrading of a health centre and a mother and child health centre were also under way. Construction of an additional health centre in Yarmouk camp was due to begin in the second half of 1995.

A major improvement in environmental health services was achieved in Neirab camp, where the Government constructed a drinking-water feeder line and the Agency rehabilitated the existing water network by changing its configuration from a branched to a looped system and installed additional pipes. The improvement in the hydraulics of the network enabled the entire camp population of 15,000 to have access to water. The Agency also prepared proposals for the construction of new sewerage and drainage systems at Khan Eshieh and Khan Danoun camps, in the Damascus area.

The Agency worked closely with the Syrian Ministry of Health to coordinate measures for disease surveillance and control, and cooperated with the Ministry in arranging the delivery of in-kind donations of hepatitis B vaccine, goitre treatment and medical supplies. UNICEF assisted the Agency with health training and health services research in the Syria field as well as providing funds to upgrade the facilities of the field health pharmacy.

Relief and social services

At the end of June 1995, the registered refugee population in the Syrian Arab Republic numbered 337,308, an increase of 3.1 per cent over the previous year. Some 6.4 per cent of refugees were enrolled in the special hardship programme, a little over the Agency-wide average and slightly higher than in the previous year.

Unsatisfactory housing remained a problem for many refugees. Available funding permitted the rehabilitation of 53 shelters during the year and planning for a further 85. In autumn 1994, the Syrian Government relocated 353 families from Jaramana camp to a multi-storey housing project in Husseinieh. Faced with the cost of finishing their own apartments and undertaking mortgages, many of these families turned to the Agency for assistance. After conducting a needs assessment, the Agency provided grants averaging $200 to each of the 213 families for home improvements such as plastering, tiling, window glazing and painting.

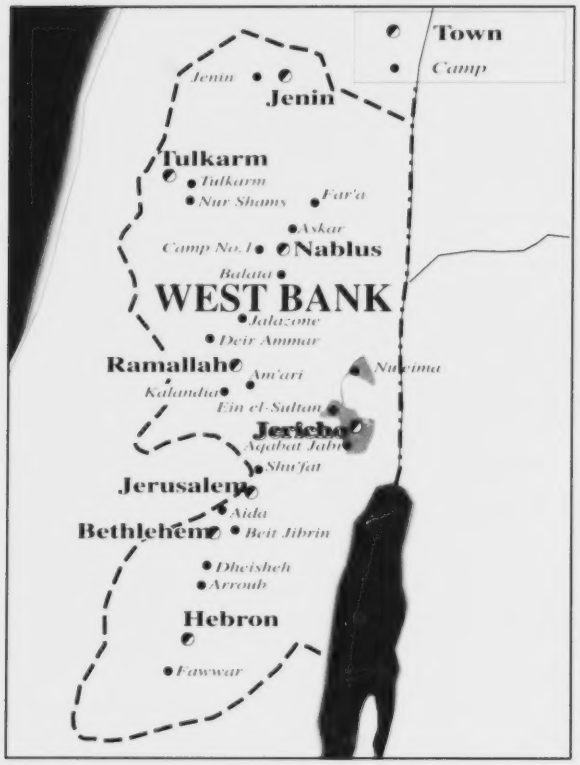
Although employment levels were relatively high in Syria, income was among the lowest in the region and there were few opportunities for poorer families to have access to credit. The Agency's group-guaranteed savings and loan programme attempted to meet part of that need. Since the programme was launched, 24 groups had been set up in different refugee communities, with a membership of 219 refugee men and women who used their loans to establish or expand small businesses. In Ein el-Tal, a two-month training course was run in October 1994 for women interested in establishing a machine embroidery production unit.

The women's programme stressed the development of community-managed activities. A training course in community programme management skills was conducted for Agency staff and over 100 refugee women from locally-elected committees. A community-run women's programme centre was opened in the Alliance quarter of Damascus, and plans were developed for a community centre at Sbeineh camp which would include activities for women, youth and children with disabilities.

Technical support was given to the kindergartens and crèches established at four of the women's programme centres. In October 1994, a course for teachers focused on helping young children to develop healthy learning habits.The kindergarten at the Yarmouk A women's programme centre was expanded with assistance from a special contribution.

The disability programme passed through a period of reassessment and consolidation. The need for further technical and management training for community volunteers became increasingly evident. Training was being provided to volunteers in Neirab camp in order to develop the potential of the community rehabilitation centre. The field also responded to increasing demands for assistance from other refugee communities who wished to establish community-based rehabilitation programmes. Work began on a facility in the Alliance quarter of Damascus and plans were drawn up for another facility attached to the Jaramana women's programme centre. In April 1995, a campaign to screen children with cerebral palsy was held in Damascus, attracting several hundred parents, where children were provided with basic adapted chairs for use in their own homes.

A women's programme centre, Neirab camp.



Shepherds' field, near Bethlehem.

West Bank & the Jericho Area

Education

The Agency's 100 schools in the West Bank accommodated 44,573 pupils in 1994-1995, an increase of 1,984 pupils over the previous school year. As well as natural growth in the Palestine refugee population, the return of families to the West Bank with the establishment of the Palestinian Authority was the principal reason for the larger than usual enrollment increase.

Agency educational institutions continued to suffer from restrictions on movement imposed by the Israeli authorities. For example, many West Bank residents employed as staff at Jerusalem-area schools were prevented from reaching their place of work or were forced to risk illegal entry into the city.

The cumulative effects of the disruption of schooling in preceding years as a result of the *intifadah* and Israeli countermeasures continued to be reflected in pupils' low achievement levels. To help compensate for lost teaching time, the Agency offered remedial classes to help students catch up with the regular education programme. Curriculum enrichment and home learning materials were distributed to pupils throughout the Agency's West Bank schools. Special education classes were provided for pupils with learning difficulties.

The Agency made progress in upgrading its education infrastructure in the West Bank during the year, including the completion of four schools which replaced rented premises, as well as three classrooms to avoid triple shifting and six specialized rooms. Renovation was also carried out on nine rented school buildings. An additional nine schools, four classrooms and one specialized room were under construction in mid-1995.

Despite these achievements, many West Bank schools remained overcrowded as a result of natural population growth, a lack of funds to hire additional teachers or the unavailability of sites on which to build additional schools or classrooms. About 25 per cent of schools were housed in unsatisfactory rented premises which could no longer accommodate the number of pupils and which lacked amenities such as science laboratories, libraries and playgrounds.

The three Agency training centres in the West Bank provided 1,248 vocational and technical training places to Palestine refugee youth. The most serious problem faced by the training centres was the inability of Gaza students, especially young men, to obtain permits to enable them to travel to and reside in the West Bank.

The Educational Sciences Faculty (ESF) at the two Ramallah training centres introduced its first third-year class of 150 students, bringing the total number of students in the first three years of pre-service instruction to 428 over the 1994-1995 academic year. UNRWA awarded university scholarships to 150 students, including 88 women, to attend universities in the region.

Health

The public health sector in the West Bank underwent a significant transformation during the year. The health care system which had been run by the Israeli Civil Administration in the West Bank was handed over to the Palestinian Authority

in November 1994. A Palestinian health insurance scheme was subsequently introduced, and the Government of Israel compelled Jerusalem identity card holders to participate in the Israeli health insurance scheme. The Agency's response to these developments emphasized close coordination with the Palestinian Authority to achieve harmonization of primary health care policies and services, and a strategic approach aiming at gradual redeployment of resources from non-governmental hospitals to PA hospitals.

UNRWA delivered primary health care services to some 517,000 Palestine refugees in the West Bank through a network of 34 health centres or points. Hospital care was provided by the Agency's 43-bed general hospital in Qalqilia as well as on a contractual basis by four non-governmental hospitals where beds were reserved for refugee patients. The Agency continued to introduce major improvements at its hospital in Qalqilia, completing a comprehensive renovation project during the year. Work was in progress on one new health centre and preparations were under way to build four health centres.

The permit system imposed on residents of the occupied West Bank negatively affected the health services available to refugees, preventing or delaying access to health institutions offering essential medical services.

The intermittent closure of the West Bank by the Israeli authorities prevented health staff residing in the West Bank from reaching their place of work in Jerusalem, and denied West Bank residents access to health facilities in the city. Restrictions imposed by Israeli customs authorities on the import of essential medical supplies were also a cause for concern, delaying shipments of needed items sometimes for months.

Relief and social services

The registered refugee population in the West Bank rose from 504,070 in June 1994 to 517,412 at the end of June 1995, an increase of 2.65 per cent. The proportion of refugees enrolled in the special hardship programme remained roughly constant, at six per cent.

During the year, 1,060 refugee shelters were repaired or reconstructed. Some 400 of these shelters were contracted out to local construction companies and 660 were rehabilitated under self-help arrangements which included the issuing of 50,000 bags of cement. Work was in progress on a further 947 shelters. At the request of the PA local government department, the Agency erected 32 pre-fabricated houses at Aqabat Jabr camp to accommodate Palestinians released from Israeli prisons.

The poverty alleviation programme addressed the needs of some special hardship and other impoverished families whose children had been unable to find employment. Under an apprenticeship training scheme, 95 young people aged 16-21 years were placed with local employers and 361 were enrolled in vocational training courses. Special attention was paid to include women and persons with disabilities in the scheme.

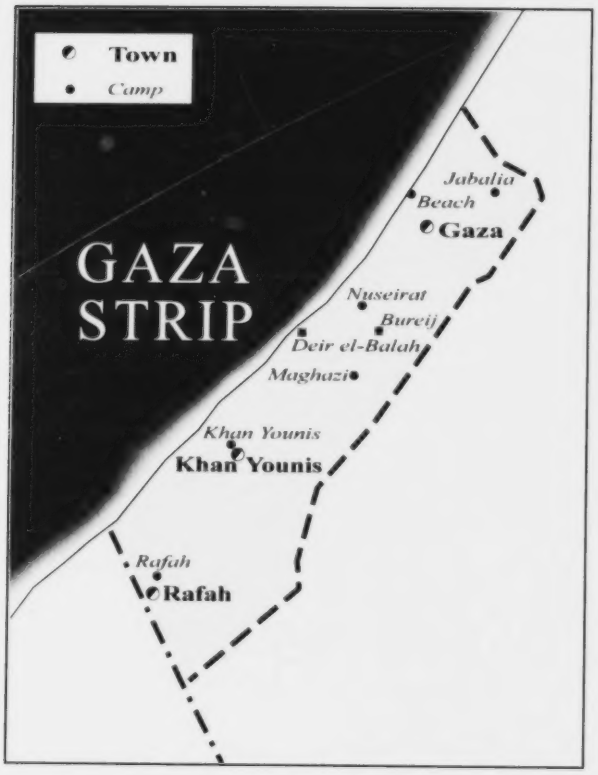
With the prospect of Palestinian elections on the horizon, women's programme centres and youth activity centres took an increasing interest in civic education. Workshops were conducted on the meaning of democracy and the rights and responsibilities of voters. Legal literacy programmes were offered in four women's programme centres, covering issues ranging from personal and family matters to constitutional law and human rights.

In the community-based rehabilitation programme, activities expanded in a number of refugee camps. Cooperation between different community groups developed in several centres which shared resources and representation on each other's committees. This cooperation helped to integrate disabled persons into community life. For example, 25 disabled children were mainstreamed in UNRWA elementary schools in the camps in the 1994-1995 school year. Local youth also helped to modify the homes of disabled persons, using funding from non-governmental sources.

The Agency cooperated with the PA social affairs department in the preparation of a national plan for children and with the PA sports and youth department to develop a national plan for youth. The Agency's contribution to the joint UNRWA-UNDP-UNICEF project for youth and children resulted in the upgrading of five youth activity centres by the end of June 1995.

In July and August 1994, the Agency cooperated with UNICEF and local and international non-governmental organizations on a national programme of summer camps in refugee camps, villages and towns for some 9,000 children aged 6-12 years. The programme involved training 700 camp supervisors at the central and local levels. The Agency also cooperated with local non-governmental organizations to establish secure multi-purpose play and sports areas for children and young people in the camps.

A newly-renovated health centre, Jerusalem.



Fishing boats on the beach, Gaza.

the Gaza strip

Education

With the redeployment of Israeli troops away from main population centers in the Gaza Strip and a decline in unrest, Agency educational facilities were able to operate unhindered during the year for the first time since the outbreak of the *intifadah* and Israeli countermeasures. UNRWA's 159 schools in the Gaza Strip provided education to 118,406 pupils, an increase of 8,707 over the previous year. The increase in enrollment was mainly a result of the return of refugee families to the Gaza Strip following the establishment of the Palestinian Authority in May 1994, which added almost 4,400 pupils attending Agency schools.

Pupils continued to suffer from the cumulative disruptions in the educational programmes in previous years. Scores achieved by Agency pupils in examinations continued to be significantly lower than those achieved prior to the *intifadah*. The Agency provided remedial education programmes in all its schools in the Gaza Strip, developing home learning and curriculum enrichment materials on the basis of diagnostic tests to identify pupils' needs.

The high rate of growth in the student population and the limited funds available to recruit additional teaching staff exacerbated overcrowding in UNRWA schools in the Gaza Strip. Classes contained an average of over 47 pupils during the year, the highest classroom occupancy rate Agency-wide. Three schools were forced to operate on a triple-shift basis during the year after other school premises had become unsafe and had to be evacuated.

The high priority placed by the Agency on improving conditions in its schools was shared by donor countries which by mid-1995 had provided nearly $28 million through the PIP to expand and upgrade the Agency's education infrastructure and other projects in Gaza.

Over 650 students were enrolled in 13 two-year vocational training courses at the Gaza vocational Training Centre. In response to growing local demand for skilled labour in the construction sector, the centre offered 12-week vocational courses on aluminum fabrication, concrete forming and plumbing.

Over 160 teachers, headteachers, school supervisors and instructors benefited from the Agency's in-service training programme during the year. The Agency awarded university scholarships to 220 Palestine refugee students, including 102 women.

Health

With its well-established infrastructure, highly trained staff and long experience in health care delivery and project implementation, UNRWA was in a unique position to provide technical assistance to the Palestinian Authority as it developed its institutional capacity in the health sector in the Gaza Strip during the year. One example of this cooperation was the Agency's assistance in conducting a detailed survey of primary health care facilities operated by the Palestinian Authority to assess the need for renovation and upgrading.

UNRWA delivered primary health care services to over 683,000 Palestine refugees in the Gaza Strip through a network of 18 health centres or points. The Agency also

operated six maternity units with a total of 60 beds, where approximately one-third of all refugee babies were delivered. Hospital services were maintained through a contractual arrangement with a non-governmental hospital or through financial assistance towards the cost of treatment at public sector hospitals.

Construction of the 232-bed Gaza General Hospital made progress despite delays caused by the frequent closures of the Gaza Strip and ensuing shortages of construction material. Completion of the hospital is expected sometime in early 1996. Other improvements in health system infrastructure included construction and equipment of two additional health centres, construction of a mother-and-child health clinic as well as construction of one new dental clinic. Major renovation and upgrading of two other health centres were also completed.

The Agency's Gaza College of Nursing was inaugurated in September 1994. The centerpiece of the college is a three-year nursing programme for women, which had an enrollment of 53 during the 1994-1995 academic year. In addition, 14 students completed a two-year midwifery programme and 25 students began their final year of training after transferring from a nursing school in Cairo. The college's programmes have been developed in coordination with the PA health authorities, local universities and non-governmental health institutions.

Construction began on a new $2.3 million College of Nursing and Allied Health Sciences, which will eventually be affiliated with the Gaza General Hospital. Scheduled for completion in early 1996, the college will build on the successes of the Gaza College of Nursing in meeting the growing demand for qualified health professionals by local health institutions.

Relief and social services

Geographically the smallest of the Agency's five fields of operation, the Gaza Strip is home to the second largest population of refugees, with 683,560 registered by mid-1995. This figure represents a 6.2 per cent increase over the previous year, partly accounted for by the return of refugees who had been displaced in 1967 or who were recruited to serve with the Palestinian Authority. About 8.7 per cent of refugees are enrolled in the special hardship programme, reflecting the weakness of the local economy, the impact of the closure of the Gaza Strip and the resulting decline in imports and exports, and diminishing work opportunities in Israel.

The Agency developed a coordination mechanism with the Palestinian Authority for both Gaza and the West Bank, initially to compare the criteria, provisions and clientele of their respective welfare assistance programmes and draw up recommendations for harmonization of the two approaches. The Agency also co-operated with the PA department of housing regarding accommodation in the camps, where many of the returnees were housed. Donor funding allowed the Agency's shelter rehabilitation programme to continue, with over 600 shelters rehabilitated during the year. Nearly 2,600 additional units were also re-roofed.

Relief and social services staff assisted the community rehabilitation and youth activity centres in preparing their own income-generation projects. Income-conservation activities, which aimed at more effective utilization of domestic resources, included training for women in the maintenance and repair of sewing and knitting machines.

PIP funding for the construction of new premises for the women's programme centres helped to spur the formation of elected women's committees and enhance their role in the management of their own programmes and budgets. More than 400 women attended nine legal literacy courses in the centres. Six workshops on violence against women were conducted in April and May 1995. The PA Minister of Social Affairs took special interest in the women's programme centres, meeting with women and encouraging them to diversify their programmes, especially in areas which would lead to income-earning opportunities.

The mainstreaming of visually-impaired children in UNRWA elementary schools continued, with 36 visually-impaired children participating in the 1994-1995 school year. The Rehabilitation Centre for the Visually Impaired, conveniently located in Gaza town, became the focal point for a variety of community activities, including joint summer camps for disabled and able-bodied children in August, and a week-long Palestinian Heritage Festival in April 1995. Wheelchairs and prosthetic devices including artificial limbs, eye glasses and hearing aids were also provided to families who could not otherwise afford them.

In association with the PA department of sports and youth, sports facilities at the youth activity centres were improved and a series of championship matches was held during the year. Under a joint UNRWA-UNDP-UNICEF project, UNRWA facilitated the upgrading of five youth activity centres by the end of June 1995, as well as supporting the participation of young women in the activities of two of the centres. UNRWA also participated in a job creation programme for released prisoners and young men disabled during the *intifadah*, sponsored by the Palestinian Authority and the International Labour Organisation.

Deir el-Balah camp.

Legal Matters

Agency staff

The number of staff members who were arrested and detained by the Israeli authorities continued to decline during the year. A total of ten were detained in the West Bank; two remained in detention by the end of June 1995. Following the establishment of the Palestinian Authority, a total of 58 staff members in the Gaza Strip were arrested and detained by the Palestinian Police Force; as of mid-1995 nine were still in detention. A total of four staff members were detained in Jordan, two in the Syrian Arab Republic and one in Lebanon during the year.

The Agency made frequent approaches to the relevant authorities in all its areas of operation, but it was not provided with adequate and timely information regarding the reasons for the arrest and detention of its staff members. Thus the Agency was unable to ensure that their rights and duties under the Charter of the United Nations, the Convention on the Privileges and Immunities of the United Nations and the relevant Staff Regulations and Rules of UNRWA were duly respected.

Two staff members were killed during the year, compared to four during the previous year. On 18 November 1994 during disturbances in Gaza town, an UNRWA school attendant visiting a hospital there was hit by a stray bullet and died instantly. On 22 June 1995 an UNRWA sanitation labourer was shot dead by masked gunmen in Beach camp in the Gaza Strip.

During the year the Israeli authorities instituted progressively stricter measures by way of exit permits and checkpoint controls, including searches, on entry to and exit from the Gaza Strip and the West Bank. As a result, the movement of UNRWA staff and vehicles into and out of the West Bank and the Gaza Strip was considerably impeded and on occasion was prevented. The sealing of the West Bank and the Gaza Strip from Israel during Israeli holidays also resulted in substantial delays.

Israeli military personnel repeatedly insisted on subjecting UNRWA vehicles leaving the Gaza Strip, including vehicles carrying senior Agency officials, to various forms of search, including partial dismantling and the use of inspection pits, on occasion causing damage to UNRWA vehicles.

Agency services and premises

The Agency provided its services in the West Bank and the Gaza Strip in the altered circumstances created by the entry into force of the Cairo Agreement, the establishment of the Palestinian Authority and the redeployment of Israeli military forces from large areas of the Gaza Strip and from the Jericho Area. While there were sporadic incidents, there was an absence of the widespread civil disorders which had characterised recent years. The Agency continued its efforts

to contribute towards the development of socio-economic stability in the West Bank and Gaza Strip.

To the extent that the Israeli authorities remained in occupation and retained powers and responsibilities in the West Bank and the Gaza Strip areas, the Agency continued its efforts to safeguard the legal and human rights of the population and to provide appropriate humanitarian assistance where possible. The Agency's refugee affairs officer programme, which had already been discontinued in the Gaza Strip, was reduced in the West Bank, in the light of the substantial decrease in the number of casualties during the reporting period. The Agency continued to provide legal advice and a measure of financial assistance to needy refugees seeking legal redress.

In comparison to the previous year, there was a marked reduction in the number of incursions into Agency installations by members of the Israeli security forces. In the West Bank the number fell from 63 to 11 incursions, while in the Gaza Strip, after the large-scale redeployment of Israeli military forces, there were no such incursions, compared to 113 incursions reported during the previous year.

Incidents of the demolition and sealing of dwellings for punitive reasons in the West Bank and the Gaza Strip decreased considerably, continuing a trend reported last year. No shelters in refugee camps in the West Bank or the Gaza Strip were demolished or sealed. However, a substantial number of dwellings outside camps were demolished on the grounds that proper building permits had not been obtained, including 78 in the West Bank by the Israeli authorities. In the Gaza Strip, a number of constructions were demolished by the Israeli authorities in the areas where they remained in occupation. A number were also demolished by the Palestinian Authority on the basis of lack of building permits.

In coordination with the relevant Israeli and Palestinian authorities, the Agency took steps to modify its import procedures in the light of the new conditions following implementation of the Cairo Agreement. By mid-1995, no delays of UNRWA supplies imported through ports in Israel and destined for the Gaza Strip were recorded.

Dheisheh camp, West Bank.

Financial Matters

UNRWA ended the 1992-1993 biennium with an adjusted deficit of $17.1 million in its regular programme, reducing the Agency's working capital to $22.6 million. In response to a worsening financial situation in 1993, the Agency introduced $17 million in austerity measures - including a general salary freeze and cuts in the budgets for additional teacher posts, hospitalization, medical supplies, duty travel and temporary labour - which were rolled over into the 1994-1995 biennium. Despite the limited savings produced by those measures and stringent expenditure controls, a further deficit of $6 million was realized in 1994. The Agency's working capital at the end of 1994 therefore stood at $16.6 million.

Funds received under the Peace Implementation Programme, the expanded programme of assistance and capital and special projects could be used to offset the deficit in recurrent costs as these funds were earmarked for specific projects.

The main reasons for the Agency's deficit in its regular programme budget were twofold. First, some donors were unable to raise their contributions commensurate with the Agency's annual budget increase of five per cent to accommodate natural growth in the refugee population and unavoidable cost increases due to inflation.Second, unexpected emergency needs in the area of operations required the Agency to utilize additional funds. By mid-1995, a budget deficit of $16 million was projected for 1995. If realized, the deficit will eliminate UNRWA's already meagre working capital by the end of the 1994-1995 biennium unless additional contributions are received. The anticipated funding shortfall poses a serious threat to the Agency's ability to maintain the existing level of services to the Palestine refugee population.

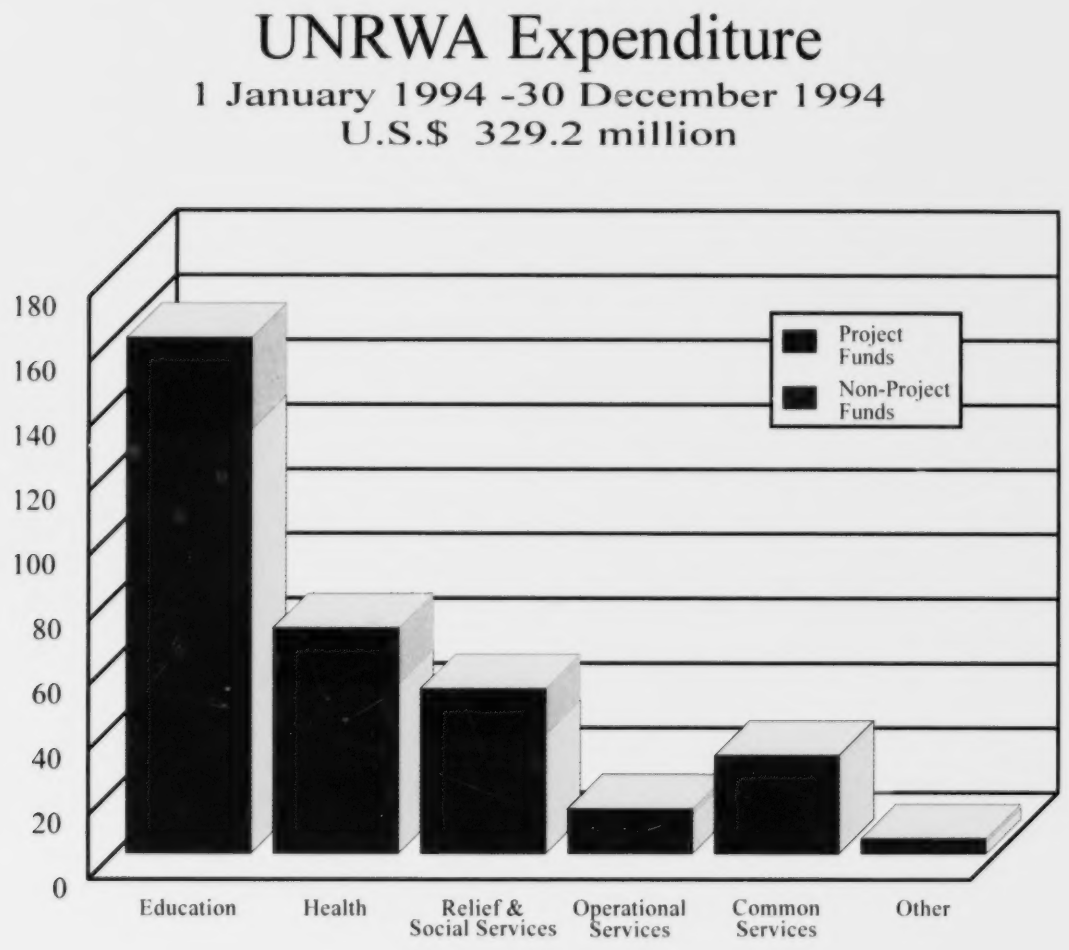
In response to changing political circumstances in which the Agency was functioning and the prospect of an eventual handover of Agency services, a five-year financial and policy planning framework was adopted to establish the Agency's minimum financial requirements for the period 1995-1999. The framework provides for a five per cent annual increase in the Agency's regular budget as well as a provision toward payment of termination indemnities accruing to area staff upon dissolution of the Agency. The five-year planning horizon was endorsed by the Agency's Major Donor and Host Governments at an informal meeting in Amman in March 1995, and the 1996-1997 biennial budget was prepared in accordance with those basic assumptions.

UNRWA Staff Posts

By Field - 30 June 1995

20,591posts - including 189 internationals

The Agency's budget is prepared on a biennial basis although the Agency continued to fund its operations on an annual basis. By mid-1995 the Agency was in the midst of preparing its 1996-1997 biennial budget. Consistent with past practice, the biennial budget will be reviewed by UNRWA's Advisory Commission and its administrative and support cost aspects submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The biennial budget is scheduled to be submitted to the General Assembly at its 50th session.



Voluntary contributions are the principal means of financing UNRWA's operations, accounting for 97 per cent of the Agency's funding. The remaining three per cent represents the core of the Agency's international staff costs - 92 international posts - which were funded by the United Nations. Most contributions were received in cash, although over 12 per cent of the Agency's total funding was received in kind, usually in the form of food for distribution to needy refugees.

Contributions (cash and in-kind) by Government and by European Community

(in U.S. dollars) 1 January 1993 - 31 December 1994

Contributor	Total Contributions 1993	Regular Budget a/ 1994	Projects b/ 1994	Emergencies c/ 1994	Total d/ 1994
Australia	1,962,968	1,944,300	1,445,155	220,590	3,610,045
Austria	833,071	503,235	-	-	503,235
Bahrain	15,000	15,000	-	-	15,000
Belgium	1,321,879	931,809	1,793,515	-	2,725,324
Brazil	5,000	-	-	-	-
Brunei Darussalam	10,000	-	-	-	-
Canada e/	9,832,522	7,970,983	2,784,563	-	10,755,546
Chile	10,000	-	-	-	-
China	673,579	60,000	-	332,129	392,129
Colombia	2,928	2,500	-	-	2,500
Cyprus	1,000	2,156	-	-	2,156
Czech Republic	-	20,000	-	-	20,000
Denmark f/	2,626,484	9,357,819	896,302	-	10,254,121
Egypt	6,042	5,935	-	-	5,935
Finland	1,120,252	1,253,178	692,557	-	1 945,735
France	3,203,177	3,205,338	159,004	559,180	3,923,522
Germany	7,617,648	6,112,320	1,357,542	479,814	7,949,676
Greece	100,000	100,000	-	-	100,000
Holy See	20,000	20,000	-	-	20,000
Iceland	30,200	15,700	-	-	15,700
India	7,122	7,125	-	-	7,125
Indonesia	54,013	25,000	-	-	25,000
Iran, Islamic Republic of	30,000	30,000	-	-	30,000
Ireland	230,880	573,312	143,710	-	717,022
Israel	1,422,079	95,399	-	-	95,399
Italy g/	21,216,584	6,242,883	4,229,483	-	10,472,366
Japan	21,705,080	20,133,861	20,950,000	-	41,083,861
Jordan	326,492	81,763	-	-	81,763
Korea, Republic of	10,000	10,000	-	-	10,000
Kuwait	-	1,500,000	-	-	1,500,000
Lebanon	100,978	121	-	-	121
Luxembourg	79,918	43,842	1,000,000	-	1,043,842
Malaysia	106,046	10,000	-	-	10,000
Maldives	1,000	1,000	-	-	1,000
Malta	1,050	-	-	-	-
Mexico	3,000	3,000	-	-	3,000
Monaco	5,757	5,194	-	-	5,194
Morocco	829,494	243,347	-	808,400	1,051,747
Namibia	500	-	-	-	-
Netherlands	6,469,352	5,598,751	4,357,519	-	9,956,270

New Zealand	240,780	118,220	173,829	-	292,049
Norway	8,424,241	10,018,823	1,389,579	-	11,408,402
Oman	25,000	25,000	-	-	25,000
Pakistan	14,948	15,618	-	-	15,618
Palestine	-	206,090	-	16,517	222,607
Panama	500	500	-	-	500
Philippines	7,596	2,909	-	-	2,909
Portugal	25,000	50,000	-	-	50,000
Qatar	35,000	-	-	-	-
Saudi Arabia	1,200,000	1,200,000	-	-	1,200,000
Spain e/	2,518,560	2,183,726	-	-	2,183,726
Switzerland e/	9,339,045	8,849,822	-	-	8,849,822
Sweden	16,336,320	18,848,425	1,624,022	-	20,472,447
Syrian Arab Republic	27,600	42,655	-	-	42,655
Thailand	14,272	14,266	-	-	14,266
Tunisia	258,838	12,121	-	-	12,121
Turkey	120,000	100,000	-	-	100,000
United Kingdom of Great Britain & Northern Ireland e/	10,432,669	8,582,090	434,224	-	9,016,314
United States of America	68,588,000	72,000,000	9,322,391	-	81,322,391
Subtotal	**199,599,464**	**188,395,136**	**52,753,395**	**2,416,630**	**243,565,161**
European Community f/	20,329,846	82,374,621	10,230,348	5,388,018	97,992,987
Grand Total	**219,929,310**	**270,769,757**	**62,983,743**	**7,804,648**	**341,558,148**

a/ Actual receipts for Regular Budget.
b/ Actual receipts for projects, comprising the Expanded Programme of Assistance, the Gaza Hospital project and the Peace Implementation Programme.
c/ Actual receipts for Extraordinary Measures in Lebanon and the Occupied Territory.
d/ Actual receipts, all funds.
e/ Similar pledge in local currency for 1993 and 1994. Increase or decrease in US dollar contribution due to currency fluctuations.
f/ Part of 1993 pledge received in 1994.
g/ Part of 1992 pledge received in 1993.

UNRWA 1994/95

This document, which is for information only and not an official record, is an edited summary of the Report of the Commissioner-General of UNRWA to the United Nations General Assembly for the period 1 July 1994-30 June 1995. Published by UNRWA Public Information Office.

* Maps may not be considered as an authority on the delineation of international boundaries.

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